

TO: Governor's Appointees to Santee Cooper Board of Directors

FROM: Mike Couick

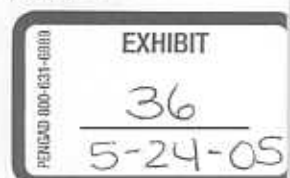
RE: Upcoming Screening

DATE: May 13, 2005

The subcommittee hearings will begin at 10:00 a.m. on Tuesday, May 17, 2005, in Room 308 of the Gressette Building. The subcommittee will initially hear from a prominent South Carolina attorney who serves on a large publicly-held corporation's board and who has expertise in the areas of director responsibilities, duties of care, and liability. Following his presentation, the subcommittee will hear from staff. Staff will provide an overview of its research findings and will offer a general chronology of recent events at Santee Cooper. You are welcome and encouraged to attend both of these presentations.

In anticipation of your screening hearings, you may wish to generally familiarize yourself with the following subject matter areas:

- I. The Business of Santee Cooper
 - A. Challenges faced by the electric industry.
 - B. General regulatory structure affecting Santee Cooper.
 - C. Fuel Issues - historical, current, and future.
 - D. Customer Base - type and nature of relationships.
 - E. How is Santee Cooper different from an investor-owned utility?
 - F. History of the Company.
 - G. Financing of Santee Cooper.
 - H. Sufficiency of current generating capacity.
 - I. How big is Santee Cooper?
- II. Financial Background
 - A. Prior experience working with financial statements (audited).
 - B. What has Santee Cooper's Board done to ensure that Enron/WorldCom type conduct does not occur at Santee Cooper? What should it do?



III. Role of Director

- A. Duty of care.
- B. Duty of loyalty.
- C. Appropriate interface with employees, directors, and others.

IV. Public Policy

- A. Compliance with FOIA (Freedom of Information Act).
- B. Ethical restrictions on Board Members: Title 8 of the S.C. Code, Board Policies, etc.
- C. Santee Cooper's statutory grant of authority.

To the extent you have been a serving member of the Board, you may expect questions about specific Board actions impacted by or involving the above areas. I would be glad to answer any questions you might have.